

AR31



Ontario Credit Union
League Limited
32nd Annual Report
Royal York Hotel • Toronto
March 2, 3, 4, 1972



30th Year

OF INCORPORATION

The first organizational meeting of the Ontario Credit Union League took place May 24, 1941. It was called the first Annual Meeting. For this reason, although the League has been incorporated since June 24, 1942, this meeting (1972) is in effect the 32nd Annual Meeting but the 30th anniversary of incorporation.

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Ontario Credit Union League Limited

CREDIT UNION DRIVE, TORONTO 375, ONTARIO

2 Board of Directors and Committee Members

Board of Directors



Mr. H. H. Dixon
Term Expires 1972



Mr. A. E. Fortune
Term Expires 1972



Rev. C. S. Inder
Term Expires 1972



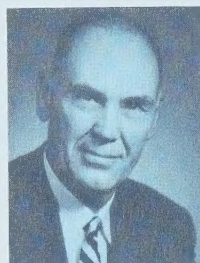
Mr. J. Robertson
Term Expires 1972



Mr. B. J. Romhanyi
Term Expires 1972



Mr. A. L. Tune
Term Expires 1972



Mr. J. Bonner
Term Expires 1973



Mr. M. Cowal
Term Expires 1973



Mr. L. Davey
Term Expires 1973



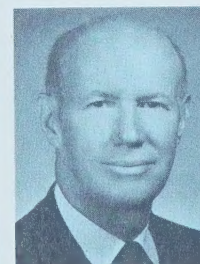
Mr. J. N. Davidson
Term Expires 1973



Mr. J. E. O'Dell
Term Expires 1973



Mr. P. Reddick
Term Expires 1973



Mr. D. R. Bell
Term Expires 1974



Mrs. A. Dauphinee
Term Expires 1974



Mr. Earle D. Reed
Term Expires 1974



Mr. J. C. Sibley
Term Expires 1974



Mr. C. Smith
Term Expires 1974



Mr. K. W. Weatherley
Term Expires 1974

Officers

Mr. K. W. Weatherley, *President*
 Mr. B. J. Romhanyi,
1st Vice-President
 Mr. H. H. Dixon,
2nd Vice-President
 Mr. L. Davey, *Comptroller*
 Mr. J. M. Hallinan, B.A.,
Secretary and General Manager

NACCU Delegates

Term Expires

Mr. B. J. Romhanyi (Chairman and Alternate)	1972
Mr. D. R. Bell	1972
Mr. J. Davidson	1972
Mr. J. Bonner	1973
Mr. A. L. Tune	1973
Mr. K. W. Weatherley	1974

Executive Committee

Mr. B. J. Romhanyi, *Chairman*
 Mr. K. W. Weatherley
 Mr. H. H. Dixon
 Mr. L. Davey
 Mr. M. Cowal
 Mr. J. Sibley
 Mr. A. L. Tune
 Mr. P. Reddick
 Mr. D. R. Bell

League Central Committee

Mr. M. Cowal, *Chairman*
 Mr. J. E. O'Dell
 Mr. Earle D. Reed
 Mr. J. Davidson
 Mr. J. M. Hallinan, B.A.,
Treasurer

Resolutions Committee

Mr. A. L. Tune, *Chairman*
 Mr. C. Smith
 Mr. J. Sibley

Policy Committee

Mr. A. L. Tune, *Chairman*
 Mr. J. Bonner
 Mr. D. R. Bell
 Mr. J. Robertson
 Mr. J. Sibley

Chapter and Extensions Committee

Mr. P. Reddick, *Chairman*
 Mr. J. Robertson
 Rev. C. Inder
 Mr. B. J. Romhanyi
 Mrs. A. Dauphinee

Legal and Legislative Committee

Mr. J. Sibley, *Chairman*
 Mr. J. Bonner
 Mr. L. Davey
 Mr. C. Smith

Stabilization Fund Committee

Mr. D. R. Bell, *Chairman*
 Mr. J. Bonner
 Mr. Earle D. Reed
 Mr. A. E. Fortune

Nominees to CIAG Board

Mr. D. R. Bell
 Mr. J. Bonner
 Mr. L. Davey
 Mr. J. E. O'Dell
 Mr. K. W. Weatherley

(Mr. K. W. Weatherley, League President, is ex-officio member of all Committees, standing and special.)

(Mr. J. M. Hallinan, B.A., General Manager, is by by-law, Secretary of all Committees.)

Overall Annual Meeting Timetable, March 2, 3, 4, 1972

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Wednesday, March 1, 1972

Registration

Mezzanine, 8.00 p.m. to 10.00 p.m.

Thursday, March 2, 1972

Registration

Convention Foyer, 8.00 a.m. to 5.00 p.m.

Board of Directors Meeting

Territories Room, 8.30 a.m.

Assembly for Opening Ceremonies

Toronto Room, 1.30 p.m.

Official Opening Ceremonies

Canadian Room, 2.00 p.m.

General Meeting

Canadian Room, 2.00 to 5.00 p.m.

Communications Night

Ballroom 8.00 p.m.

DIALOGUE by Credit Unions and Chapters

Display and League Information Centre

Ontario Room 8.30 a.m. to 5.00 p.m.

Friday, March 3, 1972

Registration

Convention Foyer, 8.00 a.m. to 5.00 p.m.

General Meeting

Canadian Room, 9.30 a.m. to 4.00 p.m.

Entertainment

Canadian Room, 8.00 p.m.

Displays and League Information Centre

Ontario Room 8.30 a.m. to 5.00 p.m.

Saturday, March 4, 1972

Registration

Convention Foyer, 8.30 a.m.

General Meeting

Canadian Room, 9.30 a.m. to conclusion

Dinner-Dance

Canadian Room, 7.00 p.m. to 12.00 midnight

Displays and League Information Centre

Ontario Room 8.30 a.m. to 12.00 noon

Agenda: Business Sessions

Thursday, Friday and Saturday, March 2, 3, 4, 1972

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- a) Opening ceremonies including the address of the President.
- b) Roll call or report of registration of members, including report of Credentials Committee, if any, determination of quorum.
- c) Reading of minutes of last meeting.
- d) Report of the Board of Directors.
- e) Report of the Comptroller.
- f) Auditors' Report.
- g) 1972 Approved Budget.
- h) Report of League Central.
- * i) Nominations for League Directors and NACCU Delegates.
- j) Nominations close.
- k) Appointment of Auditors.
- l) NACCU Delegates.
- *m) Elections.
- n) Balloting closes.
- o) Reports of any committees appointed by members.
- p) Unfinished business.
- q) Resolutions and reports of Resolution Committee.
- r) New business. (Including By-Law Amendments)
- s) Adjournment.
- * "Nominations for League Directors and NACCU Delegates will be no later than the last item of business on Friday afternoon" and "Elections will be the first item of business on Saturday morning".

National Association of Canadian Credit Unions



Robert Ingram
General Manager,
National Association of
Canadian Credit Unions

Your central service organization has completed its first full year of operating existence as the Canadian Confederation affiliated with the World Council of Credit Unions.

Strong support by Centrals and able guidance from a unified Board of Directors, of which Ken Weatherley and Joe Bonner are members, has launched NACCU as a viable national entity and voice for the

credit union movement.

The NACCU Tax Committee's exhaustive lobbying

efforts to secure just taxation for credit unions is a prime example of its Federal involvement.

During 1971, NACCU entered into two new areas of liaison and co-ordination for Centrals – full time management of the Canadian Co-operative Credit Society and a Risk Management program funded by CUMIS and CIS.

NACCU also has six fieldworkers in Africa under contract with the Canadian International Development Agency (CIDA).

Our sincere thanks go to your League's directors and staff for their valuable advice and assistance in our national projects.

CUNA Mutual Insurance Society



J. L. Herve Lanctot
Vice-President and
General Manager,
Canadian Operations, CUNA
Mutual Insurance Society

This year, we are departing from our usual custom of reporting to the Delegates of the Annual Meeting of the Ontario Credit Union League. We are doing this in order to express our gratitude for the contribution of one of the most competent and able Credit Union leaders we have had the pleasure of knowing. We think it is fitting because of the great influence which he has had in our Credit Union Movement both at home and abroad. His efforts on behalf of Ontario people stands as proof positive of what he means to our Movement.

Twenty-five years ago, starting with nothing but the *ideal of the brotherhood of man in the economic order*, he set out to apply this principle . . . and what success he achieved. Now after a quarter of a century,

there are over 1,300 league members, embracing a membership of over 1,000,000 people, owning assets in excess of \$1,000,000,000. The League headquarters today, situated in a beautiful modern building with a staff of one hundred and fifteen people, bears little resemblance to its humble beginnings in a tiny basement office with one secretary.

Unswerving in his desire to reach his humanistic goal, he gathered hundreds of similarly dedicated followers, and they literally changed the credit scene of Ontario in their drive to organize credit unions. The effect of this was that the public at large has reaped untold benefits from his efforts. He also facilitated the re-writing of the rules of credit granting.

I am speaking of John M. Hallinan, General Manager of the Ontario Credit Union League, who personally organized more than 150 credit unions, and who this year is celebrating his silver anniversary.

Co-operators Insurance Associations of Guelph



Teunis Haalboom
General Manager,
Co-operators Insurance
Associations of Guelph

The ties that unite CIAG and the Ontario credit union movement strengthen as we grow. The League is a principal sponsor of CIAG, and some 450 credit unions hold voting shares. A number of credit unions have entered into convenient office sharing arrangements with CIAG.

Over a hundred thousand credit union members are CIAG policyholders. As volunteer insurance advisers, 1,700 work with CIAG staff to promote programs for credit unions and services for individual members, making a valuable contribution to safety and insurance education in their communities.

Some 7,000 credit union members now have the protection of ADDIPLAN's substantial benefits for

accidental death or disability.

The past year has been a big one for sales – and for losses. Business increased markedly, but a big jump in automobile and personal lines claims caused an underwriting loss of about \$2 million.

The Association continues to expand its services. Co-operators Mutual Fund made its first public offering of shares in February. At December 31, the Fund had 750 shareholders and net assets of \$237,000.

CIAG's ten-man board of directors includes five League board members – Donald R. Bell, Joseph Bonner, Leon Davey, J. E. O'Dell, and Kenneth W. Weatherley. Two directors represent the Ontario Federation of Agriculture; three, United Co-operators of Ontario. Together, the three principal sponsors act as trustee for CIAG policyholders, shareholders and staff.

Report of the Board of Directors to the 1972 Annual Meeting

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Your Board of Directors is pleased to submit herewith its report to the membership on the activities of the Ontario Credit Union League Limited for the fiscal year 1971.

As in previous years this report is presented in three sections: General, Committee Affairs and Departmental Operations. You are reminded that recommendations, decisions and opinions of all Committees have been approved by the Board of Directors and for purposes of this report may be deemed to be those of the Board as a whole.

General

All resolutions of last year's Annual Meeting that were referred to the Board are reported on in this Annual Report.

On December 30th, 1971 the League purchased the property immediately adjacent to and south of our present site on Credit Union Drive, Toronto. While the building on the property, which is currently under lease at an excellent rate of rental income, houses a substantial printing operation, it can in the future be converted economically into modern office quarters. Approximately one half of the land is vacant and can be used for building purposes. With our present quarters now filled almost to capacity and foreseeing rapid future growth of the League through merger, expansion of existing services and the development of new services, the Board of Directors deemed the acquisition of this property to be not only an excellent investment but also insurance against costly alternatives to future expansion of League facilities.

During 1971, the Department of Financial and Commercial Affairs conducted an examination of the League under the provisions of Sections 50(3) and 53(3) of the Credit Unions Act. The examination report concluded with these words: "We consider the overall operations to be competently and efficiently administered. The liquidity of League Central was found to be well above the minimum 10% recommended by the Select Committee for league centrals and the overall financial position of the League is sound. During the course of our examination, we were given every possible assistance and facility by Mr. Hallinan and the staff to enable us to carry out the necessary tests and to obtain an insight into the League's operations. The co-ordination and co-operation between the various departments was excellent and there was every indication that the

League's employees are genuinely dedicated to the furtherance of the aims of the credit union movement in Ontario."

Resolution #10 (1971) directed that the Board consider the feasibility of the League entering a float in the 1972 Grey Cup Parade. We are pleased to advise that application for participation in this parade has been made and if events turn out as planned we will have a float in this event. It should be noted that this parade is covered on T.V. by both national networks and the publicity for credit unions will therefore have a national as well as local impact.

Legal and Legislative Committee

The question of taxation on Income of Credit Unions was the most important matter to face Credit Unions in Canada at the legislative level during the year 1971. Bill C-259, introduced by the Minister of Finance in June 1971, caused grave consternation to the Credit Union Movement of this country. Had the Bill passed in its original form it could conceivably have caused the demise of small credit unions and had an adverse effect on the operations of all credit unions.

Your League responded nobly to this challenge. Our forces were marshalled from the grass-roots level up. A strong, effective but dignified campaign was launched to inform our Members of Parliament of the validity of our position respecting taxation. We used all the influence at our command to encourage Chapters, Credit Unions and individual members to storm Parliament Hill with our demands for fair and equitable treatment. As good corporate citizens we were prepared to pay our fair share of the cost of good government but we insisted on our right to be treated justly. It is now a matter of record that we were successful in our efforts. This is striking proof of the importance of the League to take effective action to protect the Credit Union Movement whenever it is threatened.

Resolution #8 (1971) – This resolution requesting that credit union managers be permitted to act as guarantors on Passport Applications was forwarded to NACCU for implementation. We have been advised that this request received favourable consideration by the Department of External Affairs. When the new forms become available early in 1972, full-time credit union managers will be recognized as acceptable guarantors on Passport Application forms.

The League has developed a Line of Credit Loan application form and this form is available to those

credit unions wishing to use it. Unfortunately, the number of credit unions that may wish to use it may be relatively small because to comply with the provisions of the Consumer Protection Act a monthly statement must be provided to each member showing each separate transaction in a revolving credit type of loan.

The Committee has been advised by Departmental officials that the complete revamping of the Credit Unions Act resulting from the Select Committee's Report will be introduced in 1972 and the Movement will be given ample opportunity to express its views on this proposed legislation. We have also been assured by the Prime Minister, Honourable Wm. Davis, that an amendment to the Credit Unions Act that will permit the merger of the League and O.C.C.S. will be introduced separately at the first session of the Legislature in 1972.

Chapter and Extension Committee

The Thursday evening programme at the 1971 League Annual Meeting was on the theme "Successful Credit Union Marketing Stories of 1970" involving participation from several Credit Unions and a Chapter. Your Committee has endorsed a programme for the 1972 Annual Meeting along somewhat different lines, but also concerned with growth and development.

The Communication Contest involving promotion, advertising and public relations was promoted in 1971 and entries for the first Contest will be judged at the 1972 Annual Meeting. The Annual Report Contest will be held for the last time this year and for 1973 will be incorporated with the Communication Contest.

The Committee has interested itself in World Extension and has authorized a display at the 1972 League Annual Meeting to promote interest in World Extension and to encourage donations thereto by Credit Unions and individuals.

During the past year eight Chapters have taken advantage of League Central's offer to donate \$100 to any Chapter sponsoring minor sports.

Your Committee is nearing completion of its in-depth study of Chapters to determine their future role, and it is likely that the new Chapter and Extension Committee may have some concrete proposals to make.

Policy Committee

The Policy Committee continued during 1971 with its study of existing League policy with a view to updating and improvement.

Upon recommendation by the Committee the Board agreed to streamline its procedures for election of the League Executive Committee. The major effect of the amendment will be to reduce the number of directors on the Committee from nine to seven.

An intensive analysis and review was made of re-

sults achieved by the Board's decision two years ago to increase hotel accommodation rebates for delegates at the League Annual Meeting from one night to two. The analysis demonstrated clearly that representation of credit unions at the last two annual meetings had not increased despite the added incentive provided. The Board therefore agreed to revert to the previous long-standing policy of paying a rebate for one night's accommodation, effective for the 1972 Annual Meeting.

A further matter of policy, covering hotel and travel rebates for delegates carrying proxy votes at the League Annual Meeting, was explored. Unfortunately, numerous instances came to our attention where expenses for such delegates were paid by their own credit unions whereas the payments for rebate claims were taken into the income of the credit unions represented. It was evident that no practical procedure could be instituted to curb such activity. The policy was therefore amended by the Board of Directors so that rebates for travel and accommodation will be paid only to those credit unions represented by a delegate who is an actual member of the credit union represented.

Since 1952 the per diem paid to League Directors for attendance at functions related to League business has remained unchanged at \$20.00. In reviewing this policy, the Policy Committee was of the opinion that the per diem should not reflect, in any manner, the average daily wage or salary earned by directors in their own personal vocation but rather, should be deemed only as recognition for the dedication demonstrated by League Directors to the welfare of the Credit Union Movement. With this in mind, together with the growth of the League and the Movement in Ontario, it seemed reasonable for the Board to adopt the Committee recommendation of increasing the per diem to \$30.00 for directors and \$40.00 for the President. This revised per diem became effective on January 1, 1972.

Stabilization Fund Committee

The prime object and purpose of the League as set forth in its Charter is to protect and advance the credit unions that comprise its membership. Since its inception, the League has consistently and efficiently striven to achieve this object and purpose in many ways, not least among which was the establishment of the Stabilization Fund in March 1961. The question of stabilization had been a concern of the League Board for a considerable period of time prior to the formal establishment of the Fund in 1961. Historically, League Central had acted in some respects as a stabilizing influence for certain credit unions that found themselves in financial difficulties.

At this time the Board wishes to reaffirm "The League's Official Position on the Stabilization Fund" which was adopted by last year's annual meeting. (A copy of this statement was placed in the folders for this annual meeting.)

From the beginning it has been the proud boast of

the Credit Union Movement that it was always prepared to do things for itself. This philosophy was given practical application in the establishment of Cuna Mutual, CIAG, Cumba and in the many services that the League is offering today that it did not offer formerly. It is our sincere belief that the Stabilization Fund as presently established with its built-in potential can do now, and in the future, a better job in the area of creating financial stability for credit unions than could be done, if it were to turn over this programme to an outside source such as a Stabilization Board or even the Canada Deposit Insurance Corporation. As of December 31, 1971 the assets of the Stabilization Fund were \$716,364. If we were to increase the investment from 1/10th of 1% of shares and deposits to 1% of same we would immediately have a fund with assets of \$7,163,640. It would appear that this Fund of itself would be capable of coping with a multi-million-dollar credit union that could be in need of stabilization. This argument is reinforced when we consider the borrowing power that the Fund has with League Central should the occasion ever arise. During the fiscal year under review (1971), the Fund had an authorized Line of Credit from League Central in the amount of \$1,000,000.

It is also important to note that the funds a credit union invests in the Stabilization Fund is an investment and *not* an expense. Looking at the C.D.I.C. we note that if a credit union was eligible for participation in this Deposit Insurance Plan the annual premium (an expense) that a credit union must pay at present rates is \$500 plus 1/30th of the insured savings, and the maximum coverage in any individual account is \$20,000.

The C.D.I.C. has the right to conduct periodic examinations of its insured participants, and although at present there appears to be no fee charged for such examinations the presumptions are that fees could be charged in the future. Another point that should be strongly emphasized in dealing with a credit union that seeks assistance from the Stabilization Fund is the relatively small amount of liquid cash that is necessary to perform the function of the Stabilization Fund. From its inception in 1961 to the end of the fiscal year in 1971 the Stabilization Fund as presently constituted and functioning has paid out to 12,407 shareholder members an amount of approximately \$2,500,000. In assisting each of the 210 credit unions that have to date directly benefited from Stabilization Fund assistance, at no time did the Fund ever have occasion to borrow from any source; at all times it had the liquidity to meet its commitments. As a corollary, all credit unions benefited indirectly because of the efficient and orderly manner in which the 210 were assisted directly.

The book value of the member credit union's in-

vested dollar is one dollar and seven cents (\$1.07). This evaluation has been confirmed by the Fund's Auditors, G. H. Ward & Partners.

Resolution #7 (1971)

This resolution referring generally to a proposed relationship between the League's Stabilization Fund and the Canada Deposit Insurance Corporation was referred to the Stabilization Fund Committee for study. The Committee agrees that the most advantageous position for our Stabilization Fund to be placed in regarding the C.D.I.C. would be to have the C.D.I.C. act as a lender-of-last-resort. In this way our Stabilization Fund would retain its autonomy whilst assuring our members outstanding protection. The Committee is pleased to report that initial steps have been taken to pursue this possibility.

Special Insurance Services Committee

This Committee had referred to its Resolutions #2 and #6 (1971) and thoroughly studied both of these matters. Resolution #2 (1971) in essence directed the League to consider the desirability of recognizing C.I.S. Limited as an acceptable insurer of Life Savings and Loan Protection for credit unions in Ontario and report its findings to the member credit unions. Although the resolution did not specify how or when the League should report its findings on this subject, the Board decided to make its findings available at this meeting and by this report. The Committee defined the word "recognize" in this instance as meaning endorse.

After due deliberation, the Committee is of the opinion that it is inappropriate at this time to recognize C.I.S. for the following reasons:

- 1) The Credit Union Movement in Ontario is embarked on a program of promoting solid unity within our ranks and any action that would interfere with this objective must be avoided. The recognition of this Insurance Carrier could be a divisive force within this League.
- 2) The Committee is aware of the problems created in other areas where the League has endorsed more than one carrier for similar lines of insurance. The Committee still remembers with regret the awkward position we were placed in some years ago when the League endorsed more than one Bond carrier.

Resolution #6 (1971) — This resolution directed that a study be made for the purpose of submitting proposals that would lead to the establishment of a single insurance company that would serve credit unions and credit union members in Canada. The Committee's initial study indicates that such a proposition goes far beyond the scope of a single provincial League to develop. The Committee understands that NACCU is presently studying the question of insurance services for the Credit Union Movement in Canada and for this reason suggests that no action be taken or recommendation made until we have the benefit of NACCU's conclusions on this important matter. Another factor that enters into a study of this

nature is the Competition Act which at time of writing this report is before the Federal Government.

Field Services Department

During the year 1971 the Field Services Department experienced several changes. Transfer to senior positions necessitated employing four new staff members.

Two successful staff conferences were held, one in September which was general training and one on Taxation at the year end.

Examination Programme

The Examination Programme continues to function exceedingly well. Eight-hundred-and-five (805) credit unions were examined in 1971 compared to 752 in 1970.

It would appear that our production target for the future, with the present staff, should be 800 examinations per year. The programme has included two economic factors, liquidity and members' equity.

An analysis of 1107 credit unions examined to December 31st, 1971 showed an average of 15.2% for liquidity and an average members' equity of 104.9%.

Special Services

The Special Services Division was involved with fewer data conversions, but continues to provide this service when requested.

During 1971 Bond Claims have been minimal with no major defalcations being reported. Five Claims were handled by staff.

The number of requests for legal opinions and by-law amendments continued to increase during 1971 requiring additional staff time.

Eleven credit unions were assisted with housing requirement planning.

Fifty-five (55) credit unions were dissolved with an additional twelve in process.

Credit Union Organization

Ten (10) credit unions were organized and chartered with an additional five in various stages of completion at the year-end.

Growth and Development

The League is encouraged with the Pilot Development Programme, by the evident growth and expansion of the three credit unions presently receiving assistance.

Education Department

The Education Department, with its emphasis on education, marketing and communications, has had a busy and productive year as the following summary indicates:

Chapter Schools and Meetings

Thirteen Chapter weekend schools, involving nineteen Chapters, were held during 1971 with a total attendance of 724. Assistance has been provided to Chapters, where requested, for development of programmes for Chapter meetings, with personnel and material being supplied where necessary.

Schools at the University of Guelph

1) The 5th Annual Ontario League School for Credit Union Personnel was held May 9-21, 1971, at the University of Guelph. Total registration was 60, of which 48 were men and 12 were women. Thirty of the students were Treasurer/Managers or Assistant Managers, twelve were Loan Officers or Credit Union employees, five were League employees, whilst thirteen were Credit Union Board or Committee members. Five of the students were from outside the province — two from Saskatchewan, one from Manitoba, one from Quebec and one from Nova Scotia. Eleven Scholarships totalling \$2,150 (including four League Scholarships of \$200 each), were awarded to students in need of financial assistance.

Due to the low registration for the First Year in 1971, the structure and format of the school have been revised for 1972, with a total of four weeks of classes spread over three or four years. It is hoped that the shorter period and lower cost will attract more people to the school. The 1972 school will be held during the period May 7-20.

2) Our second week-long residential Financial Counselling Seminar was held at the University July 18-23, 1971, with a registration of 30 (24 men, 6 women) including two from out of province, one from Prince Edward Island and one from Nova Scotia.

3) Our first residential Marketing Seminar was held at the University July 11-16, 1971, with a registration of 24 (23 men, 1 woman) including two from out of province, both from Manitoba.

Evening Courses — 1971

Evening courses of 10 sessions each were held at the League building in 1971 as follows:

1) Treasurer/Managers, Employees, Marketing, Accounting, Supervisory Committee and Credit Union Administration. Total registration of these six courses was 124.

2) A new 10-evening course for Credit Union Directors was held at Mohawk College, Hamilton, in co-operation with the Hamilton and District Chapter in the Fall of 1971, with a registration of 50.

3) At St. Patrick's College, Ottawa (Carleton University), in co-operation with the College and the Ottawa & District Chapter, there were 20 registrations for the Accounting course and 20 for the new 10-evening course for Credit Union Directors.

4) A second Credit Granting Course (10-evening) was successfully held at Fanshawe College, London, in the Fall of 1971 with a registration of 28.

Other courses are in progress or planned for 1972.

Home Study Course

Fifteen persons enrolled during 1971 for the Home Study (Correspondence) course on Fundamental Knowledge of Credit Unions. This course is under revision and upon completion will be publicized to League member credit unions.

Educational Material

The "Spotlight" – hints and tips on Credit Union communications – has been sent out monthly to all credit unions during 1971. The purpose of this little publication is twofold – to provide some promotion ideas to credit unions, and secondly to provide material for newsletters.

The Department has many requests from students, Colleges, Universities and Public Libraries for material for preparation of essays and theses. Every effort is made to satisfy these requests.

In total, 162,354 pieces of educational material were distributed by this Department during the year. Showing of films and filmstrips from the Department's library totalled 78.

The overhead projector presentation entitled "What Are Credit Unions?" for use in schools and orientation meetings was completed. The popular "Comparative Loan Interest Rates" leaflet was revised in June, 1971, and all credit unions were so advised.

Yearbook

The 1971 Ontario Credit Union League Limited Yearbook was completed and copies were sent to all League member credit unions and also to all radio stations and newspapers in Ontario and to all members of the Provincial Legislature and members of the Federal Parliament representing the province.

Cable T.V.

Education Department staff were involved in a series of video tape presentations entitled "The Credit Scene" sponsored by Cuna Mutual Insurance Society. These tapes are available from the Society for use by other cable companies on request.

Canada-Wide Activities

Education Department staff are involved on a continuing basis in co-operation with Education and Training Departments of other Canadian Leagues to devise ways and means of co-ordinating and streamlining credit union education across Canada. They are also involved with the Canadian Conference of Credit Union Executives (formerly "The Banff Conference"), which in 1972 is to be held in Ottawa, July 4-7.

Marketing

Presentations on various aspects of marketing were given during the period under review at several

Chapter schools and meetings, and at sessions at Fall and Winter Schools.

Consultant services were provided to 32 credit unions on the subjects of advertising, services development and credit granting policy, with detailed communications proposals made in a number of cases.

The slide presentation describing all League services was improved and updated and has already been used on a number of occasions.

The "Posters Galore" programme was successfully marketed to credit unions with all the original 100 sets sold and another 100 sets now being marketed. The Displayorama Kit was placed on the market in September and 45 kits have been sold to date. Considerable interest has been shown in this display.

A new programme on the topics of Public Relations, Advertising and Promotion on a "How-To-Do-It" basis has been created. A handbook was produced which can be used as a sales presentation by credit unions attempting to obtain payroll deductions from industries. These have been distributed to all League Representatives in the province.

Displays were created for the League Annual Meeting in 1971 and 1972. The Marketing Specialist also acts as the display co-ordinator with affiliated organizations. The League Marketing Specialist is involved with his counterparts in other Leagues across Canada with the basic objectives of establishing an effective idea exchange and some co-ordination in the field of promotion and advertising.

General

Continued efforts are being made to explore new concepts in the form of visual aids for the improvement of education training and marketing, and to create new marketing tools for credit unions at a reasonable cost to assist them in improving their communications. The Department now has the equipment to produce video tape training films, which equipment can also be used in other useful ways.

Public Relations

The number of newspaper clippings concerning credit union activities increased from 1,043 in 1970 to 1,181 in 1971. The principal reason for this was the newspaper coverage on Taxation as it affected credit unions.

People in public life continue to become involved in credit union activities. The most recent involvement was when the then Minister of Education, Robert Welch, accepted copies of "The Cautious Twins", prior to the free distribution of 160,000 copies to Grade 3 pupils in Ontario. CFTO-TV (Channel 9) continues to provide free television coverage of "The Cautious Twins" as a public service. During 1971 thousands of copies of the booklets were purchased and distributed by credit unions.

We have continued to make presentations at credit union celebrations, office openings and anniver-

saries. Flowers and a plaque of the League building are presented by the League at these functions and a desk penset for anniversaries.

The Department assists with Credit Union Day activities, such as the 1971 Hamilton Chapter Credit Union Day celebration.

The "News"

During 1971 a great deal of publicity was given to Taxation and its effects on credit unions.

There were articles on Consumer and Safety subjects to diversify the contents.

Every attempt is made to cover, as much as possible, the increasing amount of credit union news occurring throughout the province, such as anniversaries and new buildings, etc.

The *News* is used to publicize and promote the various departments and services of the League. (As an example, the feature story about the growth of League Central in the October issue.)

The activities of CUNA Mutual Insurance Society and Co-operators Insurance Association receive continuing coverage. Advance publicity is given to Chapter and Inter-Chapter meetings and Schools to help increase attendance.

When space permits coverage of NACCU activities and International credit union news is published.

The *News* averaged 102,000 (one-hundred-and-two-thousand) in 1971. About 16,500 (sixteen-thousand-five-hundred) credit union officers receive free copies each month. Another 1,000 (one-thousand) are distributed to newspapers, radio and TV stations, Ontario M.L.A.'s and M.P.'s, National Directors and League Managers in Canadian, U.S.A. and Overseas Leagues. Credit unions purchase about 2,500 (two-thousand-five-hundred) a month and Co-operators Insurance Association has 82,000 (eighty-two-thousand) subscriptions for distribution to policyholders.

Data Processing Department

The Financial Statements of the League, printed elsewhere in this report, show an increase in volume and surplus quite in excess of planned and budgeted figures. From this standpoint the Data Processing Department experienced a very successful year.

During the year we continued to modify our systems package to meet the ever-changing needs of our user credit unions. With such changes, usually performed with too much haste to meet the demands of one or more credit unions, we encountered some difficulties but generally these were overcome reasonably well.

Late in 1971, a more sophisticated mode of transferring data from credit unions to our offices was installed. We refer to it as the ADDO-X system whereby transactions are transferred to paper tape in the credit union during the daily balancing routine.

This paper tape is then sent by mail or courier to our offices for immediate processing, thereby by-passing the key-punching routine. Additionally the transactions may, when desirable, be transmitted by telephone wire (from the paper tape) directly to a receiving unit in our offices, ready for immediate processing. Use of this equipment enables overnight processing, with updated balances arriving back at the credit union the following morning.

The growth of volume has enabled us to increase and strengthen our programming, service and operating staff in 1971. We now have a senior staff member in the Department who is a specialist in credit union accounting systems, three full-time programmers and an operating supervisor. This strengthening of staff should produce improvement in systems design, service to users, scheduling of processing and production quality.

At the year-end 74 credit unions embracing 173,721 members and 200,540 accounts were being serviced by the Data Processing Department.

Staff

The League now has one-hundred-and-fifteen (115) employees on its payroll. As we meet them throughout the Province or when we visit our beautiful building on Credit Union Drive in Toronto, we always find our staff to be happy, congenial and accommodating. Part of the reason for their high morale no doubt is that the Movement, through the League Board of Directors, has been fortunate in being able to maintain an exemplary position as an employer in the way of good salaries and benefits, together with pleasant working conditions for our employees.

But certainly by no means a small part of the reason is the competence of the people we have been able to acquire as employees. This competence, combined with the loyalty our staff has for the welfare of credit unions and credit union people, provides us with a staff which is the envy of many other organizations and businesses.

Conclusion

In reviewing the year 1971, we can arrive at but one conclusion – it was an exceptionally good one for the League. During this period, the League gave living proof of a constant resolve to seek its objects and purposes. We protected and advanced the credit union ideals in our successful campaign in the area of taxation, in carrying out daily the programs and policies of our Administration Department, in developing our Stabilization Fund and in the outstanding services offered by our League Central.

We can best express our gratitude for these achievements by rededicating ourselves to our high ideals that are solidly based on the brotherhood of man under the Fatherhood of God.

Respectfully Submitted,

K. W. Weatherley, *President*

J. M. Hallinan, *Secretary and General Manager*

Report of the League Central Committee to the 1972 Annual Meeting

LEAGUE CENTRAL recorded another outstanding year of service to member credit unions in 1971. It experienced its greatest growth and expansion in its long history of essential services to the Movement in Ontario.

Banking Arrangements

As reported last year all Centrals in Canada were obliged, because of significant developments in credit union activities, to completely revamp arrangements previously existing between the chartered banks, the clearing system and Centrals. Your Central invited each of the chartered banks to submit tenders on the League's business. Each of the banks accepted this invitation and after careful study of all factors involved, it was agreed that the Royal Bank of Canada's offer was the best from every point of view and accordingly the League entered into an agreement with this bank that runs to December 31, 1972. Any economies effected by this agreement were quickly passed on to our participating credit unions and the happy results of this action are continually being reflected in our day-to-day operations.

Current Accounts and P.C.A.'s

It is pleasant to report that as of December 31, 1971 four hundred and sixty six (466) credit unions had their current accounts with League Central compared to three hundred and thirty six (336) on the same date the previous year. Sixty two (62) credit unions were operating Personal Chequing Accounts through League Central on December 31, 1971 compared to twenty (20) on December 31, 1970.

Due to the tremendous upsurge in current accounts and P.C.A.'s coupled with a general reduction in loan demand, League Central did not find it necessary to use its line of credit with the bank at any time during 1971. We are satisfied that if all credit unions had their current accounts and P.C.A.'s with League Central, we would never have occasion to go outside the Movement for funds to meet the loan demand or maintain necessary liquidity. As the Movement constantly expands it will become an ever increasing force for good in the economic life of this Province and this country.

Cu-Checks

As reported last year League Central received accreditation as the sole agent for Cu-Check in Ontario. Unfortunately this program in its present form has not been accepted by our member credit

unions. We wish to report however, that this program and allied alternatives are presently being studied by a Committee of Central Managers in Canada and the results of this study will be carefully considered by our own League Central to the end that a viable and acceptable program will be offered in Ontario.

Resolution #3 (1971)

This resolution dealing with the ability of credit unions to meet the cash needs of members while minimizing the amount of cash a credit union must keep on hand has to a large degree been implemented as a result of our agreement with the Royal Bank of Canada.

Courier Service

This service presently provided by League Central has been successful and is under constant study by League Central staff so that the most efficient and economical service is provided.

Retirement Savings Plan

This Plan offered to our members in 1970 continues to be of increasing interest to our members and is accepted as an attractive method of supplementing the retirement income for credit union members.

Comparative Table

As is customary we are publishing below a table that graphically portrays the strong position of League Central as at December 31, 1971 :

	1971	1970
Total Assets	\$ 44,479,854	\$28,001,173
Loans Outstanding at December 31st	17,252,440	18,732,854
Amount of loans granted in the year	22,186,371	18,009,322
Total amount of loans granted since inception	185,741,557	
Share capital at December 31st	9,637,730	7,004,906
Deposits at December 31st	33,239,419	15,984,028
Interest paid to members	1,485,822	888,049
No. of credit unions with share accounts	982	961
No. of credit unions with deposit accounts	999	746
No. of credit unions with loans	565	512
No. of credit unions with current accounts	466	336
No. of credit unions on P.C.A.	62	20

Report of the NACCU Delegates to the 1972 Annual Meeting

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Recommendations

Borrowing Resolution

1) That this Annual Meeting adopt the following resolution :

"Be it resolved that the Ontario Credit Union League Limited be and is hereby authorized, during a period of one year from the first day of April 1972 to the thirty-first day of March 1973, to borrow money for the purpose of the League provided that the total amount borrowed at any time from all sources shall not exceed 50% of the capital deposits and surplus of the League."

Dividend

2) That a dividend of 5% be paid on shares for the fiscal year 1971.

Net Earnings for the year 1971	\$444,136.01
Less 20% (statutory) to Guarantee Fund	88,827.20
Undivided Earnings – 1971	355,308.81
Undivided Earnings of previous years	43,311.88
Total Undivided Earnings	398,620.69
Dividend 5%	397,435.08
Balance	\$ 1,185.61

Service has constantly been the motto of League Central. We were guided by this motto in adjusting our rates on loans and returns on deposits most advantageously consistent with sound business practice. During 1971, the loan rate was reduced from 8% to 6½% in three stages while the loan demand was lower than the preceding year. For these two reasons, the interest received on loans to members was down from 1970. Despite this fact we are still able to recommend a 5% dividend, which in the circumstances represents a fair return on shares.

League member credit unions should be proud of the accomplishments of League Central through the years and should be encouraged to use all of the services of Central in developing a strong viable Credit Union Movement in Ontario.

All Of Which Is Respectfully Submitted

M. Cowal, *Chairman*

J. E. O'Dell

E. D. Reed

J. Davidson

K. W. Weatherley (ex-officio)

J. M. Hallinan, *Treasurer*

Due to a change in the fiscal year of NACCU no annual meeting was held in the year 1971. The next annual meeting of NACCU will be held in Halifax, Nova Scotia on March 17-18, 1972.

Taxation

Income tax legislation was a matter of great concern to the Credit Union Movement in Canada during 1971. After numerous discussions and presentations, coupled with substantial support by Members of Parliament and the Senate, the government finally introduced additional amendments which eased the burden of taxation considerably, and Bill C-259 has finally been passed by both the House of Commons and the Senate. This means, of course, that credit unions are subjected to income tax as of January 1, 1972.

The whole taxation exercise will cost NACCU some \$35,000, but in terms of cost per member, and by measuring the substantial number of amendments attained since the Bill was first introduced, it is extremely low. To this figure, of course, has to be added the additional financial burden incurred by the provincial centrals in their efforts with their own members.

The whole exercise has proved invaluable to us, however, both in terms of strengthening our public image, and in strengthening our unity of purpose. It was a clear demonstration of what a well-planned, co-ordinated, co-operative effort can accomplish, and certainly all those members on the Tax Committee, as well as all those who took part in the various meetings and discussions, are to be congratulated.

Other Legislative Activities

The Competition Act as introduced last year has been withdrawn, to be replaced by a new one some time early in 1972. Other areas of interest and concern to us this year, include the proposed revision of the Bankruptcy Act, the Interest Act, the Small Loans

Act and, hopefully, our proposals to amend the Co-operative Credit Associations Act.

NACCU/CCCS Merger

With respect to the objective of developing a national financial facility, we have proceeded with a review of legal requirements necessary to make such a merger possible. The most practical route at this time would be to amend the Co-operative Credit Associations Act, and to include in that Act provision for the Credit Society to assume all of the powers currently afforded NACCU under its charter. There is no possibility at this time of the new organization operating under the new federal Co-operative Act.

Since NACCU operates under Part II of the Canada Corporations Act, there is no possibility of the Credit Society operating under that Act, and there does not appear to be any distinct advantage of incorporating the new organization under a private bill. Included in the proposed amendments to the Co-operative Credit Associations Act, is provision for a merger with NACCU to operate under that Act.

Structure Committee

This new Structure and Development Committee of which our General Manager Mr. Hallinan is a member, now has an operating budget and terms of reference. It will begin shortly to contact Centrals for facts on services and other economic factors in the first stage of its investigation into the broad area of inter-related structures of organizations in the credit union movement. The work of this Committee will not conflict with our proceedings with the requirements of merging NACCU and the Credit Society.

The terms of reference of the Committee will also include the findings of a special study of a chartered bank, conducted in recent months by the Co-operative Credit Society of Manitoba as a result of a special proposal by the Manitoba government last summer.

Supply Department

Total net sales for 1971 amounted to some \$265,000, an increase of \$51,000 over the previous year. We expect a net surplus of some \$20,000. A determined effort to curtail expenses, combined with extra field trips by the promotion director, led to a substantial overall improvement over 1970.

Conclusion

The past year, being the first one of NACCU's on a full time basis, has proved a very significant one. In many respects the centrals and their members have shown a strong desire to co-operate more closely with one another, as evidenced by the taxation exercise. This legislation has also brought about a closer tie between the caisses populaires and credit unions.

With Messrs. Weatherley and Bonner as members we have a strong and co-operative Board of Directors. With their guidance and the continuing support of all member organizations we look forward to a challenging and productive year of service to our credit union members across Canada.

All Of Which Is Respectfully Submitted

K. W. Weatherley

D. R. Bell

J. Bonner

A. L. Tune

J. Davidson

B. J. Romhanyi, *Chairman and Alternate*

At December 31, 1971

ASSETS**Current Assets**

		1971	1970
Cash		\$ —	\$ 3,641
Loans and Advances to employees		54,977	39,185
Accounts receivable		81,152	37,344
Prepaid expenses		77,827	84,711
Assessment — Stabilization Fund		—	50,000
		213,956	214,881

Fixed Assets

Land and Landscaping — at cost		237,220	97,220
Buildings — at cost	\$ 1,174,564		
Less: Accumulated depreciation	170,082		
	1,004,482		
Less: Transferred to date from Building Fund	48,000	956,482	613,515
Equipment and furnishings — at cost	328,107		
Less: Accumulated depreciation	216,131	111,976	98,597
		1,305,678	809,332

Loans and Investments

Investments — at cost		—	26,255
Development loans to credit unions		30,482	16,049
Loan to Naccu — due 1976		5,000	—
		35,482	42,304
		1,555,116	1,066,517

Fund Under Administration

Stabilization Fund		716,364	750,738
		\$ 2,271,480	\$ 1,817,255

Administration Department Balance Sheet

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At December 31, 1971		
LIABILITIES AND RESERVES	1971	1970
Current Liabilities		
Bank indebtedness	\$ 77,645	\$ —
Loan — League Central Department	926,000	542,241
Accounts payable	70,558	136,338
Deferred subscriptions and advertising	42,513	41,477
Deferred dues	17,000	8,524
Deferred rental income	3,200	3,200
Accrued interest	11,055	3,117
Long-term debt instalments due in one year	25,000	25,000
	1,172,971	759,897
Employee Sick Pay Benefit Plan (Note A)	133,766	129,620
Long-Term Liabilities		
First mortgage bonds — 4½%, \$7,500 due semi-annually 1973 — 1980	120,000	135,000
Debentures — 5%, \$5,000 due semi-annually 1973 — 76	32,000	42,000
	152,000	177,000
General Reserve — per statement	96,379	—
	1,555,116	1,066,517
Fund Under Administration		
Stabilization Fund	716,364	750,738
	\$ 2,271,480	\$ 1,817,255

Approved by the Board

K. W. Weatherley, *Director*

L. Davey, *Director*

Statement of General Reserve

At December 31, 1971

	1971	1970
Balance (deficit) — beginning of year	\$ —	\$ (215,432)
Net Income for year	96,379	62,673
	96,379	(152,759)
Transfer to Guarantee Fund of League Central Department	—	152,759
Balance — end of year	\$ 96,379	\$ —

Administration Department Statement of Income and Expense

For the Year Ended December 31, 1971

	1971 Budget	1971 Actual	1970 Actual
INCOME			
Administration	\$ 1,452,540	\$ 1,521,278	\$ 1,405,966
Public Relations, Printing, Mailing and News	259,500	246,820	246,441
Auditorium	13,500	12,500	12,570
Data Processing	275,000	318,095	234,605
	2,000,540	2,098,693	1,899,582
EXPENSE			
Administration	1,250,988	1,282,006	1,114,567
Education	108,500	114,539	97,991
Public Relations, Printing, Mailing and News	292,100	285,903	280,723
Auditorium	11,150	11,051	11,645
Data Processing	271,800	308,815	240,981
	1,934,538	2,002,314	1,745,907
Net Income for the year from regular operations	66,002	96,379	153,675
Deduct: Amortization of League Data Centre deferred costs	—	—	91,002
Net Income for the year	\$ 66,002	\$ 96,379	\$ 62,673

Administration Department Proposed Budget for the Year 1973 Summary

	1971 Budget	1971 Actual	1972 Budget
INCOME			
Administration	\$ 1,452,540	\$ 1,521,278	\$ 1,620,154
Public Relations, News, Mailing and Printing	259,500	246,820	271,000
Auditorium	13,500	12,500	13,500
Data Processing	275,000	318,095	355,000
	2,000,540	2,098,693	2,259,654
EXPENSE			
Administration	1,250,988	1,282,006	1,393,499
Education	108,500	114,539	177,420
Public Relations, News, Mailing and Printing	292,100	285,903	306,500
Auditorium	11,150	11,051	11,150
Data Processing	271,800	308,815	371,085
	1,934,538	2,002,314	2,259,654
Net Income for year	\$ 66,002	\$ 96,379	\$ —

Administration Department Proposed Budget for the Year 1972

	1971 Budget	1971 Actual	1972 Budget
INCOME			
Membership Dues	\$ 1,080,000	\$ 1,096,792	\$ 1,134,200
Entrance Fees	20	24	24
Interest—Loans and Investments	3,800	3,759	2,500
Assessments to Departments	267,600	267,600	311,250
Rental Income	9,120	10,755	45,180
CIAG—Monthly News Column	24,000	24,000	12,000
— Insurance Services Promotion	46,000	57,132	58,000
— Organization	12,000	12,000	12,000
Cuna Mutual Insurance Services Promotion	—	20,000	20,000
Other Income	10,000	29,216	25,000
	\$ 1,452,540	\$ 1,521,278	\$ 1,620,154

Admission Department Proposed Budget for the Year 1972

EXPENSES	1971 Budget	1971 Actual	1972 Budget
Annual Meeting			
General	\$ 40,000	\$ 36,782	\$ 40,000
Travel Rebates	27,000	26,104	21,000
Board of Directors			
General	26,000	22,144	25,000
Per Diems	5,000	5,330	8,000
Bonding, Travel and Miscellaneous Insurance	5,500	4,609	5,000
Corporation Tax	5	5	5
NACCU Taxation Committee Assessment	—	9,990	—
Dues	79,100	79,225	83,000
National Advertising	—	7,104	—
Depreciation — Equipment	20,800	20,800	24,580
Employee Benefits	99,200	105,200	117,000
Equipment Service Charges	1,700	2,270	2,500
Gifts and Donations	250	2,149	250
Miscellaneous	500	66	100
Occupancy Costs	114,933	105,116	140,264
Office Supplies	10,000	13,703	16,000
Postage	5,000	6,133	8,000
Printing	21,000	24,010	26,000
Professional Services			
Legal	17,000	15,962	17,000
Audit	2,300	2,700	2,900
Salary Survey	1,000	375	400
Salaries	662,700	670,438	741,000
Staff Conference	6,000	6,240	6,500
Travel	92,500	100,018	92,500
Telephone and Telegraphs	13,500	15,533	16,500
	\$ 1,250,988	\$ 1,282,006	\$ 1,393,499

Administration Department Proposed Budget for the Year 1972 Education Department

EXPENSES	1971 Budget	1971 Actual	1972 Budget
Advertising	\$ —	\$ —	\$ 50,000
Assessment— Occupancy and Services	4,500	4,500	4,500
Chapter Schools and Meetings	11,000	10,961	16,000
Chapter Grants	11,000	11,005	12,000
Depreciation	800	800	1,120
Employee Benefits	6,600	7,000	9,000
Equipment Service Charges	100	—	—
Postage	1,400	1,122	1,300
Printing and Supplies	13,000	15,014	16,000
Salaries	43,900	44,508	58,000
Travel	9,000	8,806	9,000
Year Book	7,100	7,100	—
Guelph Schools	—	3,318	—
Miscellaneous	100	405	500
	\$ 108,500	\$ 114,539	\$ 177,420

Public Relations, News, Mailing and Printing Proposed Budget for the Year 1972

INCOME			
NEWS — Subscriptions	\$ 102,000	\$ 92,522	\$ 102,000
— Advertising	17,500	18,038	19,000
Job Printing and Mailing	140,000	136,260	150,000
	\$ 259,500	\$ 246,820	\$ 271,000
EXPENSES			
Assessment— Occupancy and Services	\$ 7,000	\$ 7,000	\$ 7,000
Depreciation	6,600	6,600	6,700
Employee Benefits	11,200	11,900	11,000
NEWS — Production Costs	138,000	128,055	140,000
Salaries	75,000	78,649	85,000
Service on Equipment	2,500	2,284	2,500
Supplies and Job Printing	48,000	47,636	50,000
Travel	2,800	3,247	3,300
Miscellaneous	1,000	532	1,000
	\$ 292,100	\$ 285,903	\$ 306,500

Administration Department Proposed Budget for the Year 1972 Auditorium

	1971 Budget	1971 Actual	1972 Budget
INCOME			
Rental Income	\$ 13,500	\$ 12,500	\$ 13,500
EXPENSES			
Assessment – Occupancy and Services	9,800	9,800	9,800
Direct Expenses	1,350	1,251	1,350
	\$ 11,150	\$ 11,051	\$ 11,150

Data Processing Department

INCOME			
Service Charges	\$ 275,000	\$ 318,095	\$ 355,000
EXPENSES			
Assessment – Occupancy and Services	\$ 6,300	\$ 6,300	\$ 7,500
Depreciation	3,000	3,000	3,185
Salaries	100,000	112,069	145,000
Travel	5,000	4,784	5,400
Employee Benefits	15,000	16,000	23,000
Printing and Supplies	39,500	68,494	80,000
Equipment Rentals	103,000	98,168	107,000
	\$ 271,800	\$ 308,815	\$ 371,085

Administration Department Schedule of Occupancy Costs

	1971 Budget	1971 Actual	1972 Budget
Interest	\$ 37,000	\$ 22,339	\$ 47,800
Depreciation – Building	20,283	20,283	30,364
Property Taxes	30,500	27,674	29,500
Insurance	2,500	2,991	3,000
Heat	3,600	3,979	4,100
Light – Water	6,700	7,158	7,500
Cleaning Materials, etc.	15,000	20,692	18,000
	\$ 115,583	\$ 105,116	\$ 140,264

Stabilization Fund Balance Sheet

At December 31, 1971

ASSETS	1971	1970
Cash	\$ 12,378	\$ 458
Cash on deposit— League Central	430,368	485,367
	442,746	485,825
Assets assigned to Trustees from assisted Credit Unions		
Loans — at cost (Face Value 1971 — \$399,667 ; 1970 — \$399,843)	295,949	284,350
Less : Allowance for uncollectable loans and collection costs	29,595	28,435
	266,354	255,915
Bonds and shares — at cost (Market Value 1971 — \$6,559 ; 1970 — \$7,394)	6,787	7,916
Sundry Receivable	477	1,082
	\$716,364	\$750,738
LIABILITIES AND RESERVES		
Current Liabilities		
Accounts Payable	\$ 15,937	\$ 50,000
Undistributed Receipts from Credit Unions under dissolution	26,332	46,882
	42,269	96,882
Long-Term Liabilities		
Loans from Credit Unions, non-interest bearing, due 1976 — 1986	622,080	533,182
Reserve for undertaking of Grants-in-Aid to participating Credit Unions	7,000	9,200
General Reserve		
Balance — Beginning of year	111,474	98,953
Net Income (Deficit) for year	(66,459)	12,521
Balance — End of year	45,015	111,474
	\$ 716,364	\$ 750,738

Approved by the Board

K. W. Weatherley, *Director*

L. Davey, *Director*

Sanjivani Fund Consolidated Income and Expense

For the Year Ended December 31, 1971

INCOME

	1971	1970
Excess of receipts over cost of loans	\$ 48,050	\$ 54,414
Recovery of loans written off	18,534	14,689
Interest on loans	46,259	35,684
Investment and other income	40,657	30,767
	\$ 153,500	\$ 135,554

EXPENSE

Administration assessment	51,000	70,000
Bank charges and exchange	79	241
Collection and miscellaneous expense	14,331	13,689
Loan insurance	5,025	3,922
Postage, printing and supplies	3,253	2,020
Professional services	1,500	900
Rent	—	300
Salaries	—	10,075
	75,188	101,147
	78,312	34,407
Add: Recovery on undertakings of Grants-in-Aid	2,200	—
	80,512	34,407
Deduct: Provision for uncollectable loans	54,579	21,886
Losses assumed by the fund on take-over of credit unions in 1971	\$ 110,178	
Less: Subsequent Recoveries	17,786	92,392
Net Income (Deficit) for year	\$ (66,459)	\$ 12,521

League Central Department Balance Sheet

At December 31, 1971

ASSETS			1971	1970
Cash			\$ 3,650,021	\$ 998,868
Loan Receivable – OCUL Administration			926,000	542,241
Loans to member credit unions			17,252,440	18,732,854
Notes Receivable			18,700,000	7,200,000
Accrued Interest				
– members’ loans		\$ 42,463		
– notes receivable and investments		198,200	240,663	110,138
Investments	Market	Cost		
Government or Government guaranteed Bonds	\$ 970,890	\$ 961,584		
Long-term notes 7%-8½%	1,250,000	1,250,000		
Shares	1,648,985	1,449,437		
	\$ 3,869,875		3,661,021	407,104
Other Assets				
Prepaid Expenses and sundry receivables		26,235		9,968
Stabilization Fund Deposit		23,474	49,709	
			\$44,479,854	\$28,001,173
LIABILITIES AND MEMBERS’ EQUITY				
Accrued Interest Payable			\$ 339,835	\$ 207,618
Other Deposits			855,348	1,184,741
Deposit—Stabilization Fund			430,367	485,367
Member Shares			9,637,730	7,004,906
Member Deposits			25,198,967	14,799,287
Member Current Accounts			6,754,737	3,040,471
Guarantee Fund – a reserve against uncollectable loans and losses			864,249	775,422
Undivided Earnings			398,621	503,361
			\$44,479,854	\$28,001,173

Approved by the Board

K. W. Weatherley, *Director*

M. Cowal, *Director*

League Central Department Schedule of Reserves

For the Year Ended December 31, 1971

GUARANTEE FUND

Balance at beginning of year

1971
\$ 775,422

1970
\$ 867,718

Deduct:

Transfer to Undivided Earnings as authorized at Annual Meeting March 1970

- 59,220

Transfer of Administration Department Deficit at December 31, 1970

— 152,759

211,979

655,739

Add:

Allocation of 20% of net income

88,827

119,683

Balance at end of year

\$ 864,249

\$ 775,422

UNDIVIDED EARNINGS

Balance at beginning of year

\$ 503,361

\$ 476,731

Add:

Transfer from Guarantee Fund as authorized at Annual Meeting March 1970

—

59,220

503,361

535,951

Deduct:

Dividends paid on shares (1971 7¼%, 1970 7%)

460,049

511,321

43,312

24,630

Add: Balance of Net Income for the Year available for allocation

355,309

478,731

Balance at end of year

\$ 398,621

\$ 503,361

League Central Department Schedule of Investments

At December 31, 1971

Government or Government Guarantee Bonds and Debentures

Canada Savings Bonds due Nov. 1, 1980

\$ 500,000

\$ 500,000

\$ 500,000

County of Halton 9% due December 1, 1971-74

259,184

267,150

260,000

City of Woodstock 8% due 1972-81

160,000

163,200

160,000

Government of Canada Conversion Loan of 1958, 4½% due September 1, 1983

8,000

6,940

8,000

Canadian National Railways 4% due February 1, 1981

34,400

33,600

40,000

\$ 961,584

\$ 970,890

\$ 968,000

Long-term Notes Receivable

Credit Foncier

8½% due Sept. 10, 1976

\$ 500,000

\$ 500,000

\$ 500,000

7½% due Dec. 7, 1976

500,000

500,000

500,000

Jesuits (Martyrs' Shrine) 7% due 1976

250,000

250,000

250,000

\$ 1,250,000

\$ 1,250,000

\$ 1,250,000

Shares

Provincial Bank of Canada 103,300 common shares

\$ 1,185,451

\$ 1,394,550

Rothmans 7,000 commons shares

124,351

112,000

Koffler Drugs 10,000 common shares

87,200

90,000

Co-operative Credit Society of Manitoba 2 shares

10

10

Ontario Co-operative Credit Society 20 shares

200

200

Co-operators Insurance Assoc. of Guelph

1037 shares par \$100 each 50% paid up

51,975

51,975

Co-operators Insurance Agency Limited 25 shares par \$10 each

250

250

\$ 1,449,437

\$ 1,648,985

Legal, General, Educational, Marketing & Insurance and Business

27

For the Year Ended December 31, 1971

INCOME	1971	1970
Interest on loans to members	\$ 1,208,812	\$ 1,697,708
Interest and dividends on investments and deposits	1,158,262	183,661
	\$ 2,367,074	\$ 1,881,369
EXPENSE		
Advertising and Promotion	\$ 13,536	\$ 10,840
Bank Charges and Exchange	526	6,622
Current Account Costs	79,738	69,349
Courier Service	10,527	294
Depreciation		207
Equipment Rental	8,677	
Interest – Member and Stabilization Fund Deposits	1,485,822	888,049
Other Deposits	79,719	130,577
Miscellaneous	15,136	6,497
Office Supplies	24,508	13,615
Postage and Mailing	6,020	3,747
Professional Services	4,000	4,800
Shares for new Credit Unions	120	90
Special Representative – Travel	5,909	13,740
Administration Department Charge for Services	188,700	134,528
	\$ 1,922,938	\$ 1,282,955
Net Income for the Year before provision for uncollectable loans	444,136	598,414
Less : Transfer to Guarantee Fund of 20% as required by law	88,827	119,683
Balance of Net Income available for allocation	\$ 355,309	\$ 478,731

Combined Balance Sheet

At December 31, 1971

ASSETS	1971	1970
Cash	\$ 3,572,376	\$ 1,002,509
Accrued interest receivable	240,663	110,138
Loans to member Credit Unions	17,252,440	18,732,854
Notes receivable	18,700,000	7,200,000
Loans and advances to employees	54,977	39,185
Accounts receivable	81,152	37,344
Prepaid expenses	104,062	94,679
Assessment – Stabilization Fund	—	50,000
Investments – at cost (Market Value) 1971 – \$3,869,875, 1970 – \$424,454)	3,661,021	433,359
Head Office Premises – at cost less accumulated depreciation		
Land and Landscaping	237,220	97,220
Buildings	956,482	613,515
Equipment and Furnishings	111,976	98,597
Stabilization Fund deposit	23,474	—
Development loans to Credit Unions	30,482	16,049
Loan to Naccu – due 1976	5,000	—
	45,031,325	28,525,449
Fund under administration – Stabilization Fund	716,364	750,738
	\$45,747,689	\$29,276,187

Combined Balance Sheet

At December 31, 1971

LIABILITIES AND MEMBERS' EQUITY

		1971	1970
Accounts payable		\$ 70,558	\$ 136,338
Accrued interest payable		350,890	210,735
Other deposits		855,348	1,184,741
Deferred Subscriptions, Dues and Other Income		62,713	53,201
Long-term debt instalments due in one year		25,000	25,000
Employee Sick Pay Benefit Plan – Note A		133,766	129,620
First mortgage bonds – 4½%, \$7,500 due semi-annually 1973 – 1980		120,000	135,000
Debentures – 5%, \$5,000 due semi-annually 1973 – 1976		32,000	42,000
Deposit – Stabilization Fund with League Central		430,367	485,367
Member Shares		9,637,730	7,004,906
Member Deposits		25,198,967	14,799,287
Member Current Accounts		6,754,737	3,040,471
Guarantee Fund – a reserve against uncollectable loans and losses		864,249	775,422
Undivided Earnings – League Central Department	\$398,621		
General Reserve – Administration Department	96,379	495,000	503,361
		45,031,325	28,525,449
Fund under administration – Stabilization Fund		716,364	750,738
		\$45,747,689	\$29,276,187

Approved by the Board
K. W. Weatherley, Director
L. Davey, Director

Note A: This is the amount required as actuarily determined to meet future payments as they become due under the plan.

Combined Statement of Undivided Earnings and General Reserve

For the Year Ended December 31, 1971

	1971	1970
Balance at beginning of year	\$ 503,361	\$ 261,299
Add:		
Transfer from Guarantee Fund	—	59,220
Administration Department Deficit transferred to Guarantee Fund	—	152,759
Combined Net Income for the year	451,688	541,404
	955,049	1,014,682
Deduct:		
Dividend paid on member shares (1971 — 7¼%, 1970 — 7%)	460,049	511,321
Balance at end of year	\$ 495,000	\$ 503,361

Combined Statement of Income and Expense

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For the Year Ended December 31, 1971		
INCOME	1971	1970
Dues from Members	\$ 1,096,792	\$ 1,058,868
Entrance Fees	24	14
Occupancy and Service Assessment	267,600	237,819
Interest and Dividends on Investments	1,162,021	187,121
News Subscriptions, Advertising, Printing and Mailing	246,820	246,441
Rental Income	23,255	22,120
Interest on Loans to Members	1,208,812	1,697,708
Data Processing	318,095	234,605
Other Income	29,216	12,343
Insurance Services Promotion		
Co-operators Insurance Association	93,132	83,912
Cuna Mutual Insurance Society	20,000	—
	4,465,767	3,780,951
EXPENSE		
Administration Department		
Administration	1,282,006	1,114,567
Education	114,539	97,991
Public Relations, Printing, Mailing and News	285,903	280,723
Data Processing	308,815	240,981
Auditorium	11,051	11,645
Amortization of League Data Centre deferred costs	—	91,002
	2,002,314	1,836,909
League Central Department	1,922,938	1,282,955
	3,925,252	3,119,864
Combined Net Income for the year before provision for uncollectable loans	540,515	661,087
Less : Transfer of 20% of League Central Net Income to Guarantee Fund as required by law	88,827	119,683
Combined Net Income for the year — Note 1	\$ 451,688	\$ 541,404
Note 1:		
Comprised of:		
Net Income — Administration Department	\$ 96,379	\$ 62,673
— League Central Department	355,309	478,731
	\$ 451,688	\$ 541,404
Note 2:		
Included in expenses are the following :		
Depreciation	\$ 51,483	\$ 48,680
Directors' fees (per diem allowance)	5,330	4,955
Interest on long-term borrowing	8,665	10,081



As a delegate to the annual meeting of the Ontario Credit Union League I do solemnly pledge—

To serve those who have selected me for this high office with the best that is in me ;

To continually increase my knowledge of credit union history, philosophy and operations ;

To be ever mindful of the great heritage of our forefathers, Raiffeisen, Desjardins and Filene ;

To guard, preserve and enrich the credit union ideals given into my care ;

To always place the welfare of the credit union movement above special interests and personal ambitions ;

With humility I ask the Almighty to strengthen me in this resolve and give me wisdom and courage ; that under my guidance the credit unions may grow and flourish, ever increasing in number and service, a living testimonial of the brotherhood of man and a mighty force for democracy and peace throughout the world.



O CANADA

O Canada, our home and native land,

True patriot love in all thy sons command.

With glowing hearts we see thee rise

The true north strong and free,

And stand on guard, O Canada,

We stand on guard for thee.

O Canada ! O Canada ! O Canada !

We stand on guard for thee.

O Canada, we stand on guard for thee.

Credit Unions Chartered in 1947



Congratulations to the following Credit Unions celebrating their 25th anniversaries this year-1972

Charter			Charter		
No.	Name	Incorporated	No.	Name	Incorporated
310	C.R.C. (Toronto)	January 24	330	Prestolite Employees' (Sarnia)	
311	Simwell (Toronto)	January 24		(formerly Auto-Lite	
313	Dryden	February 20		Employees' Sarnia)	August 7
314	Northern Pioneer (Watabeag)	February 20	332	T.T.C. Employees'	August 12
315	St. Andrew's (Brechtin)	February 20	333	Shelburne	August 12
316	St. Anthony's Parish (Toronto)	February 28	334	Windsor Municipal Employees'	August 12
317	Greening Industries Employees'		336	Polymer Employees' (Sarnia)	September 3
	(Hamilton) (formerly		338	Economic Security Employees'	
	Greening Wire)	March 14		(Toronto) (formerly	
319	Guardian Angels Parish (Orillia)	April 1		Unemployment Insurance	
321	South Porcupine Community			Commission (Toronto))	October 7
	(formerly South Porcupine		341	Can-Bridge Employees'	
	Consumers' Co-operative)	April 14		(Windsor)	November 19
322	Ault & Wiborg Employees'	April 16	342	London Fire Fighters'	
323	Toronto Public Libraries Staff	April 22		(formerly London Firemen's)	November 19
325	Wyoming Community (formerly		344	Twin City Community (formerly	
	Wanstead Co-operative)	May 29		St. Louis Parish (Waterloo))	December 4
326	N.S. & T. Railway Employees'		345	Kelsey Wheel Employees'	
	(formerly Niagara, St. Catharines			(Windsor)	December 29
	& Toronto Railway Employees')	June 10			

